

AUTOMATIC SPRINKLER

LOCAL 281, U.A.

WELFARE FUND



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SUMMARY OF MATERIAL MODIFICATIONS #3

Important Notice Regarding How Your Designated Beneficiary is Determined

December 2018

Dear Participant:

This notice, referred to as a Summary of Material Modifications (SMM), is intended to remind you of the rules for designating a beneficiary for the life insurance and accidental death benefits offered by the Automatic Sprinkler Local 281, U.A. Welfare Fund (Fund). This notice is also intended to inform you of several important changes to those rules. Accordingly, you should read this notice carefully and keep it with your Summary Plan Description and Plan Document (SPD).

DESIGNATING BENEFICIARIES FOR LIFE INSURANCE AND ACCIDENTAL DEATH BENEFITS

In order to help ensure that your loved ones are financially secure in the unfortunate event of your death, the Fund offers life insurance and accidental death benefits to active and retired Participants through its partnership with Dearborn National.

These benefits are payable to your Designated Beneficiary. You may name a Designated Beneficiary by forwarding a written designation to the Fund Office in a form acceptable to the Trustees. You have the right to change your Designated Beneficiary without the consent of the Designated Beneficiary, however no change will be effective or binding unless it is received by the Fund Office before your death. Beneficiary designation forms are available from the Fund Office upon request.

IMPACT OF DIVORCE ON YOUR BENEFICIARY DESIGNATION

If you name an individual as Designated Beneficiary who is or will later become your spouse, your designation will be automatically revoked and invalidated upon divorce, dissolution of marriage, annulment, or the completion of any other proceeding pursuant to which that person is no longer your spouse. However, you may rename a former spouse as your Designated Beneficiary by forwarding a written designation to the Fund Office in a form acceptable to the Trustees. This new rule is effective for identifying the Designated Beneficiary of any active or retired participant who dies on or after November 15, 2018.

PROCEDURE FOR PAYING BENEFITS IF YOU HAVE NO DESIGNATED BENEFICIARY

If you do not have a Designated Beneficiary, benefits will be paid to any one or more of the following surviving individuals, in descending order: (1) to your surviving spouse, if any, but if you have no surviving spouse then benefits will be paid; (2) in equal shares to your surviving children, if any, but if you have no surviving children then benefits will be paid; (3) in equal shares to your surviving parent(s), if any, but if you have no surviving parent(s) then benefits will be paid; (4) in equal shares to your surviving sibling(s), if any, but if you have no surviving sibling(s) then benefits will be paid to; (5) the executor or administrator of your estate. This new rule is effective for identifying the Designated Beneficiary of any active or retired participant who dies on or after November 15, 2018.

To see exactly how your SPD incorporates these new rules, please refer to the enclosed amendment.

CONCLUSION

The Trustees will continue to monitor the Fund's resources to ensure that it is able to provide high-quality health coverage to members and their families for many years to come. As always, if you have any questions about this SMM, or the Fund in general, please feel free to contact the Fund Office. In the event of an ambiguity or conflict between this SMM and the Summary Plan Description and Plan Document, as amended, the Summary Plan Description and Plan Document will control.

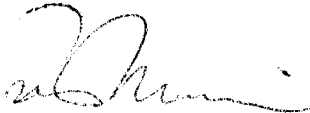
The Importance of Using In-Network Providers

The Fund has contracted with Blue Cross Blue Shield of Illinois (PPO) to help manage certain health care expenses for you and the Fund. PPO Providers, such as hospitals and physicians within the PPO Network, have agreed to charge discounted rates for services. When you choose to use a PPO Provider, both you and the Fund will save money.

The Plan typically covers 85% of the Usual and Customary Charges associated with treatment rendered by a PPO Provider. However, the Plan will cover only 60% of the Usual and Customary Charges associated with treatment rendered by a non-PPO Provider, and the Usual and Customary Charge will typically be no greater than what a PPO Provider would have charged for the same treatment.

Additionally, unlike PPO Providers, providers outside the PPO Network have not agreed to charge discounted rates for their services. Therefore, if you use a non-PPO Provider you may be responsible for significant medical fees pursuant to a practice known as *balance billing*. Under this practice, the non-PPO Provider charges the patient the difference between the amount billed and the amount paid by the Fund. Consequently, the Fund strongly encourages all participants to remain *in-network* when seeking medical care.

Sincerely,



Tim Morin

On Behalf of the Board of Trustees

**THIRD AMENDMENT TO THE
SUMMARY PLAN DESCRIPTION AND PLAN DOCUMENT OF THE
AUTOMATIC SPRINKLER LOCAL 281, U.A. WELFARE FUND
(As Amended and Restated Effective January 1, 2018)**

WHEREAS, the Summary Plan Description and Plan Document (“Plan”) of the Automatic Sprinkler Local 281, U.A. Welfare Fund (“Fund”) was amended and restated effective January 1, 2018; and

WHEREAS, the Trustees of the Fund, by virtue of Chapter 16, Section 16.01 of the Plan, have the authority to amend the Plan at any time.

NOW, THEREFORE, to provide for the automatic revocation of a beneficiary designation under certain specific circumstances, the Trustees of the Fund hereby amend the Plan as follows:

Subsections (b) and (c) of Section 10.03 (“Designated Beneficiary”) are amended to read as follows:

(b) Procedure for Naming Designated Beneficiary

Active Employees and Retired Employees may name a Designated Beneficiary by forwarding a written designation to the Fund Office in a form acceptable to the Trustees. Active Employees and Retired Employees have the right to change their Designated Beneficiary without the consent of the Designated Beneficiary, however no change will be effective or binding unless it is received by the Fund Office prior to the death of the Active Employee or Retired Employee, as applicable.

Notwithstanding the foregoing, the naming of an individual as Designated Beneficiary who is or will later become the Spouse of an Active Employee or Retired Employee will be automatically revoked and invalidated upon divorce, dissolution of marriage, annulment, or the completion of any other proceeding pursuant to which that person is no longer the Spouse of the Active Employee or Retired Employee. An Active Employee or Retired Employee may rename a former spouse as Designated Beneficiary by forwarding a written designation to the Fund Office in a form acceptable to the Board of Trustees.

(c) No Designated Beneficiary

If an Active Employee or Retired Employee does not have a Designated Beneficiary, the benefit will be paid to any one or more of the following surviving individuals, in descending order:

- (1) To the surviving Spouse, if any, of the Active Employee or Retired Employee; but if none, then;
- (2) In equal shares to the surviving children, if any, of the Active Employee or Retired Employee; but if none, then;
- (3) In equal shares to the surviving parent(s), if any, of the Active Employee or Retired Employee; but if none, then;
- (4) In equal shares to the surviving sibling(s), if any, of the Active Employee or Retired Employee; but if none, then;
- (5) All to the executor or administrator of the estate of the Active Employee or Retired Employee.

Adopted: November 15, 2018

Effective: For identifying the Designated Beneficiary of any Active Employee or Retired Employee who dies on or after November 15, 2018.